

# EXHIBIT

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**From:** Janelle Lester [jlester@fxcm.com] on behalf of Janelle Lester  
**Sent:** Friday, April 04, 2014 6:17 PM  
**To:** 'Mark Oldani'  
**Cc:** 'Sarah A. Walsh'; 'Louis Berardocco'  
**Subject:** RE: Additional questions

Mark,

Please see below for responses to your inquiries. I remind you that FXCM does not give liquidity providers access to client books or client positioning, including resting orders. Nor does FXCM mislead the public by utilizing related corporate entities for liquidity, splitting customer losses with related entities, and/or giving liquidity providers access to customer data that put the provider at a market advantage over the client.

FXCM does not have any ownership, control, or access to Effex' employment records, therefore the answers to your questions are based solely on a review of the FXCM records, not Effex.

1. List all FXCM employees (both past and current) who worked for both entities—either simultaneously or at different times.

FXCM and Effex are independent companies. Therefore, I am unable to access Effex employee records

To my knowledge, the only employees who have worked for both firms are Rodrick Brown and John Dittami. As discussed during the NFA 2013 audit, Rodrick Brown owned an IT consulting company. Mr. Brown, through his consulting firm, performed IT consulting services for Effex. Mr. Brown's work at Effex was not related to his work at FXCM. John Dittami served as a consultant for FXCM from October 2009 through April 2010. Mr. Dittami worked primarily on software coding.

Please note that FXCM's IT/Development/Production Division provides services for all liquidity providers in order to improve the connections between providers and FXCM. Adaptors exist between all bank/price provider connections, and FXCM resources are often devoted to developing the infrastructure around those connections. FXCM may devote software engineers to assist with integration of provider technology and software. For example, FXCM presently has software engineers devoted to an integration project with a provider of trade compression and reconciliation services. It is common for independently operated firms to have software engineers perform mutually beneficial work due to the high degree of specialization and expertise needed to integrate platforms. While FXCM may devote resources to specific projects, the employees will remain employees of FXCM for the duration of the project.

2. Chronologically confirm the physical location of Effex's main office since the creation of the "payment for order flow" arrangement between FXCM and Effex and respond if at any time FXCM and Effex were located in the same operational address.

FXCM entered into a service agreement with Effex in May 2010. Effex staff utilized FXCM office space through the date of the agreement until June 2011. In June 2011 Effex transitioned to their own office location at Harborside Financial Center Plaza 5, Jersey City, NJ 07311.

3. List what/if any technology (hardware, software, servers, etc.) is/was shared between FXCM and Effex.

Effex has a number of servers in FXCM data centers. In addition, FXCM provides network connectivity for Effex and other providers. This arrangement mirrors collocation services provided by many exchanges to price makers and price takers.

Please feel free to advise if you would like additional details on the arrangements discussed above. FXCM remains committed to implementing controls and infrastructure in line with regulatory expectations. Therefore, we seek your guidance as to whether the FXCM structure is in line with industry standards and NFA's expectations.

Are you available for further discussion on Wednesday April 9, 2014?

Kindest Regards,

Janelle Lester  
Chief Compliance Officer

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**From:** Mark Oldani [<mailto:MOldani@NFA.Futures.Org>]  
**Sent:** Monday, March 31, 2014 7:17 PM  
**To:** Janelle Lester  
**Cc:** Sarah A. Walsh; Louis Berardocco  
**Subject:** Additional questions

Hi Janelle,

As confirmed by FXCM during NFA's field visit last Fall, at least one person was employed simultaneously by both FXCM and Effex. Please provide thorough responses to the following:

1. List all FXCM employees (both past and current) who worked for both entities—either simultaneously or at different times
2. Chronologically confirm the physical location of Effex's main office since the creation of the "payment for order flow" arrangement between FXCM and Effex and respond if at any time FXCM and Effex were located in the same operational address.
3. List what/if any technology (hardware, software, servers, etc.) is/was shared between FXCM and Effex.

A response would be appreciated by Friday, but please let me know if more time is needed.

Thanks,

Mark

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